

SHRI B. K. P. SINHA ... and is the hon. Minister aware that in 1930 a group of students of Patna College went to Sind and a mail train was stopped at a way side station so that this group of twenty students could entrain there and one youngman who later on became a Member of Parliament about twenty years later was also a member of that group and that is B. K. P. Sinha?

(Interruptions)

(No reply)

PERMISSION FOR REMUNERATION OF DIRECTORS

MIS. SHRI ARJUN ARORA† : SHRI GULAM NABI UNTOO :

Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) whether any approvals under section 309 of the Companies Act have been given by the Company Law Board during the years 1966 and 1967 and the first six months of 1968 permitting remuneration of Directors exceeding Rs. 5000/- per month;

(b) if so, what are the details thereof; and

(c) whether any representations have been received by the Board against re-numerations exceeding the optimum of Rs. 5,000 per month?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI K. V. RAGHUNATHA REDDY): fa) Yes, Madam.

(b) A statement is placed on the Table of the House [see Appendix LXV, Annexure, No. 61].

(c) Yes, Madam, in a few cases.

SHRI ARJUN ARORA : Madam, the reply to part (c) of the question was not audible at all.

†The question was actually asked on the floor of the House by Shri Arjun Arora.

THE DEPUTY CHAIRMAN : He said, 'in a few cases'.

SHRI K. V. RAGHUNATHA REDDY: Yes, Madam; in a few cases.

SHRI ARJUN ARORA : May I know, Madam, what are the considerations which the Government keeps in view to ensure whether the salary and remuneration of the wholetime directors and other executives sanctioned by the Government have any relation to the profit or turnover of the concerned and may I know whether the Government sees to it that not more than one person in each company gets this sort of sanction? This is my first question.

SHRI K. V. RAGHUNATHA REDDY: As far as the remuneration of the Managing Directors and Directors of the companies is concerned, that is regulated by section 309 of the Company Law. There are certain limits placed and for a Managing Director remuneration up to 5 per cent of the total profit is allowable under the law but as far as the Government is concerned, notwithstanding the fact that section 309 gives up to 5 per cent by an executive order an administrative limit has been placed up to one lakh and eighty thousand per year. This was done in the past and it is still being followed. But the entire question is—now under study; we are taking steps to understand the entire question and make a proper analysis. After a proper study of the entire question we will see whether any change or modification is necessary.

SHRI ARJUN ARORA : It appears this Ministry studies a lot and does little. May I know whether the Minister has seen the statement which he has laid on the Table of the House carefully because the statement reveals that most of the firms in whose cases sanctions have been given are firms which are either foreign firms or firms which have foreign collaboration and which employ foreign personnel? Does not the Ministry realise that it is encouraging the employment of foreign personnel by Indian concerns? Even in cases like flour mills it has gone out of the way to sanction remuneration worth more than Rs. 5000 per month in case the incumbent is a foreigner. May I know how this is consistent with the Government's policy of promoting Indian know-how, Indian technical skill and Indian managerial skill and does the Minister realise that he is encouraging. ...

THE DEPUTY CHAIRMAN : Please come to the question proper. How many minutes have you taken?

SHRI ARJUN ARORA: ... the import of all sorts of people on fat salaries ?

SHRI K. V. RAGHUNATHA REDDY: Madam, the Government is fully aware of the necessity for proper remuneration to the personnel of the various companies and is taking various steps in this regard but notwithstanding all that, hon. Members will kindly realise that this is a kind of heritage which we have inherited; there are certain liabilities of inheritance which we have to deal with and we are still struggling with such matters. As I have already said the whole policy of managerial remuneration and in particular the administrative ceiling is under the review of the Department. According to the Minister's direction a paper is being prepared and necessary facts and figures are being collected. The matter will be placed before the Sub-Committee of the Cabinet as early as possible.

SHRI CHANDRA SHEKHAR : May I know the special circumstances in which the flour mill was permitted to pay more than Rs. 5000 and why should the hon. Minister be so much obsessed of the bad heritage he has taken on? Why does he not cast it off without any further delay?

SHRI K.V. RAGHUNATHA REDDY: Madam, it is not a matter of one case or two cases. There is a certain historical background and certain policies have come to stay and we have to deal with them. We cannot take a decision in the matter without a proper policy being laid down.

SHRI JOACHIM ALVA : Is the Ministry aware of a glaring case published in a capitalist-oriented paper like the Economic Times which prominently published recently that the foreign Directors of Larsen and Toubro were demanding—and the matter was put up before the meeting of share-holders—anything between Rs. 10,000 and Rs. 20,000 as salary per month including all perquisites and benefits like medical, insurance and amenities etc. ? Is the Ministry aware of that and what is the Ministry doing in cases of this type?

SHRI K. V. RAGHUNATHA REDDY: If the matter comes to the Company Law Administration it will look into it.

THE DEPUTY CHAIRMAN : You are not aware of it?

SHRI Z. A. AHMAD : The hon. Minister has referred to a few cases in which concessions had been given. May I know exactly how many cases are involved and the names of the persons to whom concessions had been given?

SHRI K. V. RAGHUNATHA REDDY: We have placed all this information on the Table of the House.

*419. [The Questioner (Shri C. Aclmtha Menon) was absent. For answer vide cols. 2800-2801 infra].

*420. [The Questioner (Dr. (Mrs.) Mangladevi Talwar) was absent. For answer vide col. 2801 infra].

COTTON TEXTILE INDUSTRY IN U.P.

*421. SHRI SITARAM JAIPURIA : Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the Merchants Chamber of Uttar Pradesh has at its recent meeting expressed its concern over the deteriorating conditions prevailing in the cotton textile industry in the State of Uttar Pradesh;

(b) whether it is also a fact that the Chamber has urged the Government of India to give facilities to textile industry;

(c) if so, what are the details thereof; and

(d) what action has been taken thereon?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH): (a) Yes, Madam.

(b) The Ministry of Commerce have not received any communication from the Chamber asking for specific facilities to the textile industry.

(c) and (d) Do not arise.

THE DEPUTY CHAIRMAN: The Question Hour is over.